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09/781,680	02/12/2001	Bernard L. Ballou JR.	**OO-0069	6128

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EXAMINER

RAMAN, USHA

ART UNIT	PAPER NUMBER
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2623

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	Application No. 09/781,680	Applicant(s) BALLOU ET AL.	
	Examiner Usha Raman	Art Unit 2623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 21 August 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 42-82 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 42-82 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>10-4-07</u> . | 6) <input type="checkbox"/> Other: _____  |

***Information Disclosure Statement***

1. The information disclosure statement filed October 4<sup>th</sup>, 2007 fails to comply with the provisions of 37 CFR 1.97, 1.98 and MPEP § 609 because an English translation for Document No. 90101479. It has been placed in the application file, but the information referred to therein has not been considered as to the merits. Applicant is advised that the date of any re-submission of any item of information contained in this information disclosure statement or the submission of any missing element(s) will be the date of submission for purposes of determining compliance with the requirements based on the time of filing the statement, including all certification requirements for statements under 37 CFR 1.97(e). See MPEP § 609.05(a).

***Response to Arguments***

2. Applicant's arguments filed August 6<sup>th</sup>, 2007 have been fully considered but they are not persuasive.

Applicant's arguments stating that, "the focusing servo system described in Knight does not move tracks of the multiplayer storage for reading tracks, rather it is used to maintain focus of a beam on a recording surface" have been noted. However, it is noted that, Knight also discloses that "flying head techniques" as a substitute for the conventional servo focusing methods, since the conventional servo focusing methods are no longer needed when using the flying head techniques. Because both methods are used for reading tracks on an optical medium, it would have been obvious to one of ordinary skill in the art to substitute one method for another to achieve predictable results

Applicant's arguments with respect to Edenson have been considered but are moot in view of the new ground(s) of rejection.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 42-50, 52-53, 27, 61-66, 71-75, 78, 82 are rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Knight et al. (US Pat. 6,243,350) and Korn et al. (US Pat. 4,766,581).

In regards to claims 42, 61 and 71, Russo discloses a method in a video distribution system comprising

Reading a portable storage medium with a reader device (record/play controller 10), the portable storage medium having a plurality of video segments stored thereon (see Russo: column 7, lines 40-51);

Tracking with the reader device which and how many times a video segment of the plurality of video segments is played (i.e. pay per play) using characteristics of the physical format (Russo: column 3, lines 20-24, column 5, lines 52-59, column 6, lines 33-36, column 7, lines 53-55, column 10, lines 23-29 and 32-34). Russo teaches that the system may store all viewing requests of a program that is transmitted periodically to the provider to determine billing information. A movie is "charged for" once the user has selected a movie for play and once the viewer has

watched a substantial portion of the movie. See column 5, lines 22-26 and column 10, lines 39-43.

Russo does not teach multilayer storage medium, wherein the reader device instructs a servo to move to tracks of the multilayer storage medium and further lacks the step of counting how many times a video segment of the plurality of the video segments is played, the counting enabled via the reader device instructing servo to move to tracks of the storage medium containing the segments to be viewed.

Knight discloses the step of using multilayer storage medium to increase the capacity of storage mediums (Knight: column 3, lines 60-62, column 42, lines 34-39, column 58, lines 44-46, lines 57-59) for the purpose of distributing a high capacity disk with a plurality of movies recorded thereon. Knight also discloses that prior art techniques for reading tracks include "conventional focusing servo system", for reading data on disk, that is not needed when using the flying head technique. Accordingly, Knight is evidence to one of ordinary skill in the art that the method of a controller 'instructing servo to move to tracks' of the storage medium were well known in the art and that conventional focusing servo system can be substituted for flying head technique for reading tracks on an optical disk.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system in view of Knight by further increasing the capacity of a storage medium by using a multilayer storage medium, thereby allowing additional movies to be recorded on a single disk. The modified system would further

comprise the step of controller of a reader device instructing a servo to move to tracks of the storage medium for reading the data associated playback request, wherein upon reading the data (i.e. decoding and viewing the movie), tracking when a viewer is charged for the movie. The tracking of when a viewer watches a movie is therefore accomplished by the reader device instructing a servo to move tracks of the storage medium for reading the data.

While Russo discloses the step of tracking what clips are played by the user and charging accordingly, Russo fails to explicitly teach charging for a substantial portion of a movie that is watched multiple times.

In a similar field of endeavor, Korn teaches a method of tracking counts for requested video program selections. Korn is therefore evidence to one of ordinary skill in the art of counting the number of times a video segment is played/requested, the counting enabled via a controller of the media reader device. It would have been obvious to one of ordinary skill in the art at the time of the invention to further modify the system of Russo and Knight in view of Korn's teachings by to tracking the number of times a segment has been played in order to ensure that multiple viewings an entire movie is charged. Such a modified figure counts how many times a video segment is played, wherein the counting is enabled by instructing the servo to move to tracks of the storage medium containing the video segments to be viewed.

In regards to claim 43, the multilayer storage medium has multiple feature length movies stored thereon (Knight: column 58, lines 57-59).

In regards to claim 44, the system does not disclose providing at least one viewer with at least one multilayer storage medium comprises distributing multiple multilayer storage mediums to at least one viewer on a periodic basis. Examiner takes official notice that it is well known for new movies to be released from time to time. Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to periodically distribute the new releases multilayer storage medium, in order to make the new releases available to the users thereby generating additional revenue from the new releases.

In regards to claim 45 and 82, the multilayer storage medium is an optical disk that has the storage capacity of approximately 20 gigabytes of information (Knight: column 29, lines 51-53, lines 61-63).

In regards to claim 46, 62, 73, the system comprises the step of tracking how many times each of the plurality of video segments is played. See Russo: column 5, lines 52-59.

In regards to claim 47, the system comprises the step of providing at least on multilayer storage medium comprises providing a mechanism for the viewer to order a selected multilayer storage medium of multiple classic/older movie multilayer storage mediums (Russo: column 9, lines 63-65).

In regards to claims 48, 64 and 72, the multilayer storage medium was recorded using near field disk recording for increasing areal density and thereby increasing the track density (Knight: column 5, lines 12-18).

In regards to claim 49, the multiple video segments are encrypted (Russo: column 6, lines 9-21)

In regards to claims 50, 65 and 74 the reader device has a first unique identifier (since provider broadcasts an access code specifically addressed to the subscriber decoder. Russo: column 6, lines 12-15)

In regards to claims 52 and 66, information is transmitted between the reader device and a central computer (Russo: column 6, lines 26-28 and lines 34-40)

In regards to claims 53, and 75, the transmitting step further comprises reader device transmitting the first unique identifier to the central computer (i.e. for purposes of billing and receiving authorization. Russo: column 3, lines 7-9, column 6, lines 25-27).

In regard to claim 57, when each reader device transmits its first identifier to the central computer, the reader device also transmits to the central computer data identifying at least one movie that has been played on the reader device (Russo: column 3, lines 20-24, column 7, lines 48-49, lines 53-55).

In regards to claim 78, when the central computer sends the code to the reader device, the central computer also sends the reader device instructions for an amount of available credit that the reader device can draw upon (Russo: column 5, lines 59-61, column 6, lines 18-27, column 10 lines 43-48).

In regards to claim 63, the distribution network provides a mechanism for the viewer to order a select one of second group of multilayer storage mediums having



the classic/older movies (i.e. by category; Russo: column 9, lines 63-65, column 7, lines 48-51).

The distribution network does not distribute at least one multilayer storage medium having new release movie to the viewer on a periodic basis.

Examiner takes official notice that it is well known for new movies to be released from time to time. Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to periodically distribute the new releases multilayer storage medium, in order to make the new releases available to the users thereby generating additional revenue from the new releases.

5. Claims 54-56, 59-60, 67-68, 70, 76, 79, 80, 81 are rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Knight et al. (US Pat. 6,243,350), and Korn et al. (US Pat. 4,766,581) and further in view of Braitberg (WO 01/54410 A2).

In regards to claim 54, the system does not transfer a second unique identifier from the reader device to the central computer when transmitting the first identifier to the central computer.

Braitberg discloses the step of transmitting a unique media identifier (such as a serial number) of the disk in order to obtain authorization to play content from that disk, thereby preventing unauthorized access of media content when disks have been reproduced (Braitberg: page 4, lines 13-16, page 5, lines 4-10, lines 23-26 and page 8, lines 33-34).

It would have been obvious to one of ordinary skill in the art at the time to modify the system to transmit a unique media identifier identifying the digital movie disk (i.e. second unique identification code), in order to receive access for that disk. The motivation is to ensure that payment is made for viewing content in the even a disk has been copied.

In regards to claim 55, when the central computer receives the first and second identifiers from the reader device, the central computer creates a digital rights management code (i.e. content enablement key) and sends the code to the reader device (Braitberg: page 13, lines 1-12).

In regards to claim 56, 68, when the central computer sends the code to the reader device, the central computer also sends the reader device instructions for an amount of available credit that the reader device can draw upon (Russo: column 5, lines 59-61, column 6, lines 18-27, column 10 lines 43-48).

In regards to claims 67, and 76, see claims 54 and 55.

In regards to claims 70 and 79, the system does not comprise a first table that lists standard pricing rules for a first category of movies and a second table that lists exception-pricing rules for a second category of movies.

Braitberg discloses the step of establishing pricing structures for content based on enablement or non-enablement of advertisements. Thus, content with advertisements enabled (i.e. the first category of content) have a first set of "standard" pricing rules and content with advertisements with non-enablement have a second set of "exception" (i.e. a premium type subscription) pricing rules (second

category of content). The movies therefore have two pricing modes for all movies (i.e. standard and exception) based on enablement of advertisements (Braitberg: page 5, lines 27-page 6, lines 2, page 10, lines 21-28).

It would have been obvious to one of ordinary skill in the art to modify the system to provide customer with a first category of movies with a first standard pricing rule and a second category of movies with a second exception pricing rules in order to provide the customer with flexible, variable pricing scheme for movies.

In regards to claims 59-60, 79, and 81, see claim 70.

In regards to claim 80, the system computer comprises means for changing pricing rules (for obtaining additional access privileges) listed in the first and second tables (Braitberg: page 6, lines 20-22).

6. Claim 51 is rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Knight et al. (US Pat. 6,243,350) and Korn et al. (US Pat. 4,766,581) as applied to claim 50 above, and further in view of Goode et al. (US Pre Grant Pub. 2004/0083492)

In regards to claim 51, the system lacks the step of providing a mechanism for the viewer to select the unique identifier for the reader device.

Goode discloses a system where a subscriber selects a personal identification number in order identify a user from a household of plurality of users while establishing a communication with the provider (Goode: [0041])

It would have been obvious to one of ordinary skill in the art to modify the system by including the step of a customer selecting a PIN in addition to the terminal

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identification number, in order to identify the services and privileges that the subscriber is permitted to access.

7. Claims 58 and 77 are rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Knight et al. (US Pat. 6,243,350) and Korn et al. (US Pat. 4,766,581) as applied to claims 57 and 71 above, and further in view of Voyticky (US Pat. 6,438,751)

In regards to claims 58 and 77, the system does not comprise the step of when the reader device transmits its first identifier to the central computer, the reader device also transmitting to the central computer information identifying dates and times the movies have been played on the reader device.

Voyticky teaches the step of time-stamping the playback of an event and sending the time stamp information to the provider so that the head end can track the time an event was watched at (Voyticky: figures 6, 7 and abstract).

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system to include time stamps (i.e. time and date) in order to allow the system controller to determine when an event was watched.

8. Claim 69 rejected under 35 U.S.C. 103(a) as being unpatentable over Russo (US Pat. 5,619,247) in view of Knight et al. (US Pat. 6,243,350), Korn et al. (US Pat. 4,766,581) and Braitberg (WO 01/54410 A2) as applied to claim 67 above, and further in view of Voyticky (US Pat. 6,438,751).

In regards to claims 69 the system does not comprise the step of when the reader device transmits its first identifier to the central computer, the reader device

also transmitting to the central computer information identifying dates and times the movies have been played on the reader device.

Voyticky teaches the step of time-stamping the playback of an event and sending the time stamp information to the provider so that the head end can track the time an event was watched at (Voyticky: figures 6, 7 and abstract).

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system to include time stamps (i.e. time and date) in order to allow the system controller to determine when an event was watched.

### ***Conclusion***


9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Usha Raman whose telephone number is (571) 272-7380. The examiner can normally be reached on Mon-Fri: 9am-6pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Christopher Kelley can be reached on (571) 272-7331. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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